

National Republican Senatorial Committee

FEDERAL ELECTION COMMISSION

OFFICE OF GENERAL COUNSEL

William J. McGinley
General Counsel

2006 JUL 10 P 12: 0

July 10, 2006

By Courier

Lawrence H. Norton
General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

MUR

5770

Re: Stephen Laffey, Laffey US Senate, and
City of Cranston

Dear Mr. Norton:

The National Republican Senatorial Committee, through counsel, submits this complaint pursuant to 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4 against Stephen Laffey, Laffey US Senate, and the City of Cranston. As set forth below, there is reason to believe that Stephen Laffey, Mayor of Cranston and candidate for US Senate, used city taxpayer funds to pay for a mailing that promotes his federal candidacy in violation of the Federal Election Campaign Act of 1971, as amended (the "Act"), and Federal Election Commission ("Commission") regulations. The information contained in this complaint is based upon recent news reports and information and belief.

Under the Act and Commission regulations, a coordinated political communication constitutes an in-kind contribution to the federal candidate referenced in the communication. Federal candidates who hold local office are not permitted to use city government resources to finance gratuitous political mailings to promote their federal candidacies. The Commission must conduct an immediate investigation of this matter and impose the maximum penalties under law for any violations.

I. Background

Stephen P. Laffey is the Mayor of Cranston, a city located in the State of Rhode Island, and a candidate for US Senate. Laffey US Senate is Mr. Laffey's principal campaign committee. The Rhode Island federal primary election will be held on September 12, 2006. (See Exhibit A.)

On or about June 19, 2006, Cranston mailed the city's tax bills to its residents. A letter from Mayor Laffey to the Cranston taxpayers was included in the tax mailing. Mayor Laffey's

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letter did not contain any procedural information instructing taxpayers how to satisfy their obligations or where the recipients may direct questions about their tax bills. Rather, the communication was a patently political communication that praised Mayor Laffey's alleged fiscal accomplishments, attacked other Rhode Island cities for their fiscal policies, and included a cut-out piece containing skulls and crossbones with a list of fiscal warning signs. The letter closed with the Mayor's signature and the slogan "As always, fighting for you" – a similar slogan to the one that appears in numerous Laffey campaign materials including a sign outside his campaign headquarters. A copy of the letter and a postmarked envelope are attached as Exhibit B, and a video of the sign outside of Laffey campaign headquarters is attached as Exhibit C.

According to news reports, the letter caused an immediate controversy in Cranston. "The majority of the City Council members are crying foul, saying the letter was a not-so-thinly veiled campaign ad for Republican Laffey, who is challenging U.S. Senator Lincoln D. Chafee in a September primary." Barbara Polichetti, Council Raps Laffey for 'Political Ad' In Tax Bills, The Providence Journal (June 28, 2006). Numerous City Council members have informed the press that they received complaints from constituents about the political contents of the letter. See Matt Sanderson, Council Wants Laffey To Pay For 'Political' Letters, Cranstonherald.org (June 29, 2006). In fact, City Council President Aram Garabedian stated that the Mayor did not have the authority to send the letter. Barbara Polichetti, Council Raps Laffey for 'Political Ad' In Tax Bills, The Providence Journal (June 28, 2006). As the Providence Journal reported:

"To me, if it looks like a political ad and acts like a political ad, then it's a political ad," said Councilman John E. Lanni, Jr. "A political ad paid for by the taxpayers." . . . Ward 1 Councilman Terence Livingston said he received complaints from constituents and termed the letter "something I'd expect from a snake-oil salesman."

Id. In fact, the City Council voted 7-2 adopting a non-binding resolution asking the Mayor to repay the approximately \$3,000 the letter added to the cost of mailing the residents' tax bills. M.L. Johnson, Cranston Council Asks Laffey to Repay City For Mailing, Associated Press (June 28, 2006). As of the date of this filing, there is no publicly available evidence that the Mayor or his campaign committee has reimbursed the city for the cost of the political mailing. Copies of the newspaper articles and a television news report on this matter are attached as Exhibit D.

II. Legal Analysis

The Commission has established a three part test to determine whether a communication – such as Mayor Laffey's taxpayer-funded political letter -- constitutes a coordinated communication. Under this test, the communication must: (1) be paid for by a person other than the candidate referenced in the mailing or his authorized committee; (2) satisfy at least one of the content standards; and (3) satisfy at least one of the conduct standards. 11 C.F.R. § 109.21(a). If a communication satisfies each element of the three part test, it is considered a "coordinated communication" and treated as an in-kind contribution to the candidate referenced in the communication. Id. § 109.21(b)(1). If a candidate receives such an in-kind contribution, the candidate's campaign committee must report "the usual and normal value of the communication as an in-kind contribution" in accordance with Commission

regulations. Id. § 109.21(b)(3). As discussed below, the Laffey political mailing satisfies the Commission's three-part coordination test.

A. The Laffey political mailing satisfies the first test because it was paid for by the City of Cranston – a “person” under the Act and Commission regulations – and not by Mayor Laffey or his campaign.

The first test is satisfied if the Laffey political mailing was paid for by a “person” other than Mayor Laffey, his campaign committee, or one of their agents. Id. § 109.21(a)(1). The FEC has made clear in Advisory Opinions and Enforcement Matters (“MURs”) that “State governments and municipal corporations are persons under the [federal campaign finance laws] and are subject to its contribution provisions.” FEC Adv. Op. 2000-5; see also FEC MUR 5082 First General Counsel's Report at 6 (“There is also a long history of the [FEC] applying the [federal campaign finance laws] to states in enforcement matters.”); FEC MUR 5127 Factual and Legal Analysis at 4 (“The [FEC], however, has previously made clear that states are ‘persons’ and are thus subject to contribution limits.”).

The Laffey political mailing was paid for by the City of Cranston and included with the city's tax bills. See Matt Sanderson, Council Wants Laffey To Pay For “Political” Letters, Cranstonherald.org (June 29, 2006) (The “City Council voted Tuesday to demand Republican Mayor Stephen Laffey reimburse the city \$3,366 associated with a letter he included in tax bills that some called political in nature.”); M.L. Johnson, Cranston Council Asks Laffey to Repay City For Mailing, Associated Press (June 28, 2006) (“The city council voted 7-2 along party lines to ask Laffey to repay approximately \$3,000 the letter added to the cost of mailing residents’ tax bills.”).

Thus, the first test is satisfied because the Laffey political mailing was paid for by the City of Cranston, a person other than Mayor Laffey or his campaign committee.

B. The Laffey political mailing satisfies the second test because it referenced Mayor Laffey and was distributed to Rhode Island voters in close proximity to the primary election.

The second test is satisfied if the communication at issue meets at least one of four content standards. 11 C.F.R. § 109.21(a)(2). Under the fourth content standard, a communication satisfies this test if it is: (1) a public communication that refers to a senatorial candidate; (2) publicly distributed or otherwise publicly disseminated 90 days before a primary or general election; and (3) directed to voters in the jurisdiction of the clearly identified candidate. Id. § 109.21(c)(4).

The Laffey political mailing included with the city's tax bills satisfies the fourth content standard. First, the letter¹ accompanying the city tax bills clearly references Mayor Laffey, and was even signed by him. Second, the letter was apparently postmarked on June 19, 2006

¹ It appears that the letter was sent to thousands of Cranston's residents. See Barbara Polichetti, Council Raps Laffey for ‘Political Ad’ In Tax Bills, The Providence Journal (June 28, 2006). Therefore, the mailing satisfies the definition of “public communication” under Commission regulations. 11 C.F.R. §§ 100.26 (defining public communication) & 100.27 (defining mass mailing).

– within the 90 day window before Rhode Island's September 12, 2006 primary election. The 90 day window for the primary election began June 14, 2006.² Finally, the Laffey letter was sent to Rhode Island residents.

Accordingly, the Laffey political mailing satisfies the second test by meeting the fourth content standard.

- C. **The Laffey political mailing satisfies the third test because Mayor Laffey was materially involved in the creation of the communication, or at the very least, he requested or suggested that the mailing be included in the tax bills.**

The third test is satisfied if the communication meets at least one of the conduct standards. Id. § 109.21(a)(3). One of the conduct standards -- the material involvement standard -- is satisfied if a candidate or his campaign committee is materially involved in decisions regarding the content of the communication. Id. § 109.21(d)(2). In addition, the third test may be satisfied if the political mailing was included in the tax bills at the request or suggestion of Mayor Laffey. Id. § 109.21(d)(1).

There does not seem to be any dispute that Mayor Laffey wrote the political letter that was included in the Cranston tax bills. See Barbara Polichetti, Council Raps Laffey for 'Political Ad' In Tax Bills, The Providence Journal (June 28, 2006). Newspaper articles also indicate that the letter may have been included in the mailing at the request or suggestion of Mayor Laffey, or that he assented to the inclusion of such a letter in the tax bills. See id.

Therefore, Mayor Laffey's political mailing satisfies the third test because Mayor Laffey wrote the letter, and may have requested or suggested that the political letter be included with the city tax bills.

² On June 8, 2006, the FEC published the Explanation and Justification supporting the recent changes to the coordination rules that are scheduled to take effect June 10, 2006. One of the changes contained in the revised coordination rules shortens the time period for communications that refer to a House or Senate candidate from 120 days to 90 days before a primary or general election. See 71 Fed. Reg. 33190. Therefore, whether the applicable time period is the existing 120 time period or the revised 90 time period, the communication still satisfies the fourth content standard.

III. Conclusion

The Laffey political mailing satisfies the Commission's three-part coordination test discussed above and, therefore, the costs of the mailing constitute an in-kind contribution from the city to his campaign. Mayor Laffey's failure to comply with the Act and Commission regulations warrants further investigation and enforcement by the Commission. Therefore, the Commission should immediately open an investigation of this matter and find reason to believe that Mayor Laffey, Laffey US Senate and the City of Cranston violated the Act and Commission regulations for the reasons set forth above.

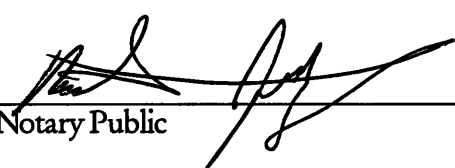
Respectfully submitted,


William J. McGinley

Attachments

SWORN TO AND SUBSCRIBED before me this 10 day of July, 2006.




Notary Public

My Commission Expires:

Robert Jentgens
Notary Public, District of Columbia
My Commission Expires 8/14/10

27044173862

27044173863

Exhibit A

Presented by the Federal Election Commission**TRY A: [NEW SEARCH](#) RETURN TO: [FEC HOME PAGE](#)****LAFHEY, STEPHEN PATRICK ID: S6RI00239****Office Sought:** Senate**Election Year:** 2006**State:** Rhode Island**Party:** REP (Republican Party)**PRINCIPAL CAMPAIGN COMMITTEE:****[LAFHEY US SENATE](#) ID: C00414953****NOTE:**

Candidate listings may appear here as a result of draft committees or independent expenditure committees registering with the FEC. If no official documents of an authorized committee appear below, the individual identified here has taken no action to become a candidate.

Click the Display Image column to quickly view a report page by page.

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Year 2005				
Document Filed	Amended	Filed On	Pages	Display Image or PDF
STATEMENT OF CANDIDACY		09/13/2005	4	25020362239 PDF

TRY A: [NEW SEARCH](#) [NEW ADVANCED SEARCH](#)**RETURN TO: [FEC HOME PAGE](#)**

Presented by the Federal Election Commission**TRY A: NEW SEARCH RETURN TO: FEC HOME PAGE****Committee ID: C00414953****LAFFEY US SENATE**144 WESTMINSTER STREET #5
PROVIDENCE, RI 02903

Treasurer Name: RICHARD J SULLIVAN
Committee Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE)
Committee Type: S (SENATE)
Candidate State: RI (Rhode Island)

CANDIDATE:
LAFFEY, STEPHEN PATRICK **ID: S6RI00239**

NOTE:

Candidate listings may appear here as a result of draft committees or independent expenditure committees registering with the FEC. If no official documents of an authorized committee appear below, the individual identified here has taken no action to become a candidate.

Click the Display Image column to quickly view a report page by page.
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Year 2006						
Document Filed	Amended	Filed On	From Date	End Date	Pages	Display Image or PDF
APRIL QUARTERLY		04/11/2006	01/01/2006	03/31/2006	152	26020270858 PDF
Year 2005						
Document Filed	Amended	Filed On	From Date	End Date	Pages	Display Image or PDF
STATEMENT OF ORGANIZATION		09/13/2005			7	25020362243 PDF
STATEMENT OF ORGANIZATION	AMEND	11/16/2005			6	25020513153 PDF
OCTOBER QUARTERLY		10/13/2005	04/11/2005	09/30/2005	102	25020413309 PDF
OCTOBER QUARTERLY	AMEND	12/06/2005	04/11/2005	09/30/2005	6	25020523433 PDF

OCTOBER QUARTERLY	AMEND	01/24/2006	04/11/2005	09/30/2005	12	26020030982 PDF
REQUEST FOR ADDITIONAL INFORMATION		01/19/2006	04/11/2005	09/30/2005	3	26038951649 PDF
YEAR-END		01/26/2006	10/01/2005	12/31/2005	125	26020030541 PDF
YEAR-END	AMEND	03/20/2006	10/01/2005	12/31/2005	7	26020151118 PDF
YEAR-END	AMEND	03/28/2006	10/01/2005	12/31/2005	7	26020153046 PDF
YEAR-END	AMEND	05/08/2006	10/01/2005	12/31/2005	8	26020312344 PDF
YEAR-END	AMEND	05/09/2006	10/01/2005	12/31/2005	7	26020312511 PDF
REQUEST FOR ADDITIONAL INFORMATION		03/14/2006	10/01/2005	12/31/2005	3	26039013199 PDF
REQUEST FOR ADDITIONAL INFORMATION		04/25/2006	10/01/2005	12/31/2005	3	26039061195 PDF

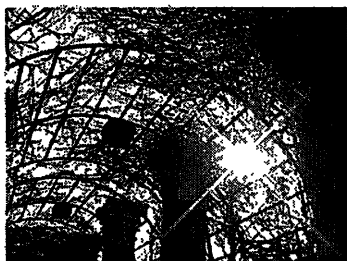
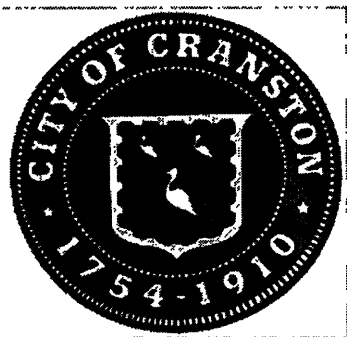
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The City of Cranston

Page Trail >> [Home Page](#) > [About Cranston](#)

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About Cranston



Cranston City Hall
869 Park Avenue
Cranston, Rhode Island 02910

8:30AM To 4:30PM Monday Through Friday
[To contact the City via phone or e-mail, click here](#)

City Seal:

Cranston's City Seal, which was taken from the coat of arms of Governor Samuel Cranston, consists of three silver cranes on a red shield with a silver border. The motto DUM VIGILO CURO has been translated as "While I watch I care."

City Flag:

The flag of the City is blue, of standard size, bearing on each side of the center the representation of the Coat of Arms of the City. The shield is red with a white border, the representation of the three cranes upon the shield is in white; the words DUM VIGILO CURO are imposed in yellow and gold upon the representation of a white ribbon with a red border under the shield.

Council Meetings:

Regular public meetings of the City Council are held on the fourth Monday of each month at 7:00 P.M. in the City Council Chambers, 3rd Floor, Cranston City Hall, except in December, when the meeting is held on the third Monday of the month.

27044173868

Election Calendar Highlights

MARCH 28, 29, 30

Disaffiliation for candidates

MAY 26

Deadline to register to vote in order to file a declaration of candidacy

JUNE 14

Last day for disaffiliation for primary voters

JUNE 26, 27, 28

Declaration of candidacy filing period (All candidates for federal and statewide office file with the Secretary of State; all candidates for the general assembly, local offices and party committees file with local boards of canvassers.)

AUGUST 12

Deadline to register to vote in the party primaries

SEPTEMBER 12

PARTY PRIMARIES

OCTOBER 7

Deadline to register to vote in the general election

NOVEMBER 7

GENERAL ELECTION

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Exhibit B

Dear Fellow Taxpayer:

GOOD NEWS!!! WE ARE REDUCING TAXES BY 1.5%. LET ME REPEAT

— TAXES ARE REDUCED 1.5%!!! As you know, last year we were able to freeze taxes, and this year we have lowered them while continuing to finance the pension and health care retirement fund, increase the Rainy Day Fund, and still budget a prudent tax collection rate! A quick glance at the back of this letter will provide you with a comparison to other cities and towns throughout Rhode Island. You will see that while other towns are raising taxes, some by astronomical percentages, the City of Cranston is the only municipality cutting taxes. Together, we have much to be proud of!

I am humbled and honored to have served as your Mayor over the past four years. When I signed up for the job, I did so with the sole intent of putting Cranston back on its feet, and I am happy to say that together, we have succeeded beyond our expectations! Consider what our city looked like four years ago, and what it looks like today.

HIGHLIGHTS

Pre-Laffey Administration

Today

Deficit of \$11.7 million—about to miss payroll, default on debt	Surplus of nearly \$20 million—largest in RI, including the State
Pension assets: \$9 million and scheduled to go to zero	Pension assets: Nearly \$40 million! Continually funded
Bond Rating: LOWEST IN AMERICA	Bond Rating: Up five notches Investment Grade Fastest turn-around in the Nation
Municipal Contracts: Free health care	Municipal Contract: Teamsters/City workers — 20% co-pay by term of contract
Crossing Guards - \$129.00 per hour cost to the taxpayers	New Crossing Guard Program - \$16.00 per hour with increased services (A savings of \$500,000 per year — or \$5.7 million present day value!)

Folks, I love this city. When I saw Cranston on the verge of bankruptcy, I felt obligated to save the City that raised me. I thank all of you for entrusting me with such a critical job and for staying the course as we staved off the special-interests who tried to destroy our home.

I will not be your Mayor next year. As such, I have one final request from all of you. **BE VIGILANT**. Remember that the same special interests who nearly destroyed our city before will never go away. Below, I am enclosing a cut out for you to paste on your refrigerators. It is a list of warning signs so you can know when trouble is on the way. If you see any of the items on the list occurring, you will know to stand up and fight back.

Again, I thank all of you for giving me the opportunity to be your Mayor and to save this city that we all love so much.

As always, fighting for you,

Stephen P. Laffey
Stephen P. Laffey
Mayor

Mayor Laffey's Warning Signs

Not Funding Pensions



Late Audits (Due Dec. 31st)



Raiding the Rainy Day Fund



Bad Contracts/Free Health Care



Unrealistic Tax Collection Forecasts



*any
thump*

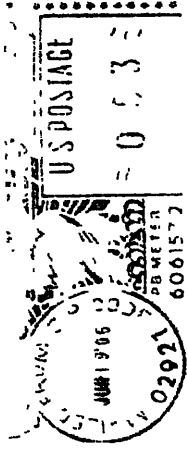
City	Proposed Tax Hike as of 05/24/06
Providence County	
1. Burrillville	+2.34%
2. Central Falls	TBD
3. Cranston	+1.5%
4. Cumberland	+3%
5. East Providence	+1%
6. Foxboro	Unbudgeted
7. Glocester	Above 15.5%
8. Johnston	+1.3%
9. Lincoln	+4.5%
10. North Providence	-0%
11. North Smithfield	TBD
12. Pawtucket	+3.65%
13. Providence	0% - PHONY BUDGET
14. Scituate	+5.5%
15. Smithfield	+4.9%
16. Woonsocket	TBD
Kent County	
17. Coventry	+5%
18. East Greenwich	+1.8%
19. Warwick	+3.2%
20. West Greenwich	TBD
21. West Warwick	+2.51%
Washington County	
22. Charlestown	+5%
23. Exeter	TBD
24. Hopkinton	+3.5%
25. Narragansett	+1%
26. New Shoreham	+1.7%
27. North Kingstown	+1.8%
28. Richmond	+3.1%
29. South Kingstown	+4.2%
30. Westerly	TBD
Newport County	
31. Jamestown	TBD
32. Little Compton	TBD
33. Middletown	+3%
34. Newport	+3.9%
35. Portsmouth	+9.34%
36. Tiverton	+6%
Bristol County	
37. Barrington	+4.02%
38. Bristol	+5.3%
39. Warren	+3%

*Based on an unbudgeted \$10 million from the State

TAX COLLECTOR
CITY OF CRANSTON
869 PARK AVE.
CRANSTON, R.I. 02910-2786

27044173873

PRESORTED
FIRST CLASS



27044173874

Exhibit C

Exhibit C (a DVD) is not included in this file

27044173875

27044173876

Exhibit D

Roll Call

July 3, 2006 Monday

Rhode Island; **Laffey** Wishes Death for City's Ills - and Others?

SECTION: AT THE RACES**LENGTH:** 238 words

Sen. Lincoln Chafee (R) better be careful, or soon he could find his name on a list next to a picture of a **skull** and crossbones.

Cranston Mayor Stephen **Laffey** (R), Chafee's opponent in the Sept. 12 primary, sent out a letter with city tax bills last week, highlighting with **skulls** and crossbones what he believes will be the city's biggest problems when he leaves office. The mayor suggested that taxpayers cut out the warnings and mount them on their refrigerators.

On the political front, meanwhile, **Laffey** raised eyebrows last week by opting not to attend his state's GOP convention, calling it "a charade" and a vehicle for wealthy socialites.

"I belong to the Republican Party of Abraham Lincoln, Teddy Roosevelt and Ronald Reagan and am more interested in the endorsement of each individual Republican primary voter," he said.

Not surprisingly, the GOP leaders voted overwhelmingly to endorse Chafee. At the convention, Chafee, a political moderate, said he is the only Republican who can beat the likely Democratic nominee, state Attorney General Sheldon Whitehouse (D).

"Let's be honest, this seat cannot be won on the Republican votes alone," Chafee said, according to The Providence Journal.

Of the party leaders attending the GOP convention, **Laffey** said on WPRO Radio: "Luckily those people are getting older and they're dying."

No word on whether he plans to send them a **skull** and crossbones in the mail.

- Stephanie Woodrow

SUBJECT: POLITICAL PARTY CONVENTIONS (90%); US STATE GOVERNMENT (78%); CAMPAIGNS & ELECTIONS (77%); POLITICAL CANDIDATES (77%); POLITICAL PARTIES (75%); POLITICS (75%); PRIMARY ELECTIONS (72%); JUSTICE DEPARTMENTS (52%); ATTORNEYS GENERAL (52%)

ORGANIZATION: REPUBLICAN PARTY (90%)

PERSON: LINCOLN D CHAFEE (94%); RONALD WILSON REAGAN (54%)

GEOGRAPHIC: RHODE ISLAND, USA (92%) NORTH AMERICA (92%); UNITED STATES (92%)

LOAD-DATE: July 6, 2006

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Newspaper

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Search Terms: [(laffey and skull)](9)

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27044173878

The Providence Journal (Rhode Island)

June 28, 2006 Wednesday
West Bay

Council raps **Laffey** for 'political ad' in tax bills

BYLINE: BARBARA POLICHETTI, Journal Staff Writer**SECTION:** NEWS; Pg. D-01**LENGTH:** 426 words

CRANSTON - When local tax bills were mailed last week, the envelopes contained a letter from Mayor Stephen P. **Laffey** promoting his administration's accomplishments and encouraging residents to stay fiscally vigilant after he leaves office in December.

The majority of City Council members are crying foul, saying the letter was a not-so-thinly-veiled campaign ad for Republican **Laffey**, who is challenging U.S. Sen. Lincoln D. Chafee in a September primary. After hotly arguing the issue Monday night, the Democrat-controlled council passed a resolution calling on **Laffey** to reimburse the city for the roughly \$3,300 it cost to include the letter with the bills.

"To me, if it looks like a political ad and acts like a political ad, then it's a political ad," said Councilman John E. Lanni Jr. "A political ad paid for by the taxpayers."

The nonbinding resolution was approved on a 7-to-2 vote along party lines.

During the council meeting, Paul Grimes, **Laffey's** director of administration, and deputy director Robin Muksian-Schutt attempted to show the letter's merits and that it did not, in their opinion, differ from similar messages that prior mayors have sent with tax bills.

After the council's vote, Muksian-Schutt said **Laffey** had just spent the past week fighting a state bill that would have allowed the Providence Water Supply Board to impose a surcharge that would cost Cranston residents millions of dollars. By contrast, she said, the council was spending its time squabbling over politics and little more than \$3,000.

Republican council members Allan Fung and Jeffrey Barone argued that the mayor's letter was not political and not unusual for a Cranston mayor.

"It's not a political ad and it's less egregious than some that were sent out by previous administrations," Fung said. "Let's not be selective here in an election year."

Ward 1 Councilman Terence Livingston said he had received complaints from constituents and termed the letter "something I'd expect from a snake-oil salesman."

He and other council members said they, and residents who called them, took particular exception to **Laffey's** using a **skull** and crossbones to punctuate five fiscal warning signs contained in his letter.

"The mayor had no authority to send this letter out," said council President Aram Garabedian. "He used my money to promote himself."

Councilwoman Cynthia Fogarty said it doesn't matter that she objected to the letter, it matters that she received "numerous" calls from residents who felt it was not appropriate. "That's when this becomes my concern," she said.

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PERSON: LINCOLN D CHAFEE (57%)

GEOGRAPHIC: PROVIDENCE, RI, USA (77%) RHODE ISLAND, USA (79%); RHODE ISLAND (77%) NORTH AMERICA (92%); UNITED STATES (92%)

LOAD-DATE: June 29, 2006

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Newspaper

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The Associated Press State & Local Wire

June 28, 2006 Wednesday 10:48 PM GMT

Cranston council asks **Laffey** to repay city for mailing

BYLINE: By M.L. JOHNSON, Associated Press Writer**SECTION:** POLITICAL NEWS**LENGTH:** 563 words**DATELINE:** PROVIDENCE R.I.

The Cranston City Council has asked Mayor Stephen **Laffey** to reimburse the city for the cost of a letter touting his accomplishments that it mailed to residents with their property tax bills.

Democratic members of the council said the letter was sent to support **Laffey's** Republican campaign for the U.S. Senate. He is running in the Sept. 12 GOP primary against Sen. Lincoln Chafee.

In the letter, **Laffey** says he "felt obligated to save the city that raised me" and has done so by lowering taxes, putting \$40 million into the city pension fund and creating a \$20 million surplus. He concludes the letter with "as always, fighting for you," which echoes his campaign slogan, "**Laffey** fights for you."

The city council voted 7-2 along party lines to ask **Laffey** to repay the approximately \$3,000 the letter added to the cost of mailing residents' tax bills. Council President Aram Garabedian said he also is considering filing a complaint with the Rhode Island Ethics Commission

"The act was an impropriety," said Garabedian, a Democrat. "He used his position as mayor to promote himself."

Laffey said he would not pay the city for the mailing and accused Democrats on the city council of trying to discredit him so they could "raid" the city's surplus.

"We sent out a tax letter. We do it every year," he said. "It is not a political statement."

Laffey's previous letters about the city's finances have a similar tone and are signed "continuing the fight" and "still fighting." His 2004 letter says that "Cranston is far better off than it was just 18 months ago" but "we must keep fighting to finish the job."

Robin Muksian-Schutt, **Laffey's** deputy director of administration, said the city saves about \$9,000 on postage by mailing the mayor's letter with its tax bills.

Garabedian said he found this year's letter more objectionable than others. The letter highlights a list of "warning signs" of financial trouble with **skull** and crossbones symbols and criticizes the neighboring Providence for having a "phony budget" that does not include a tax increase.

"This year, he went beyond the realm of anything we've ever seen, and this time, it was time to say, 'This is a waste of the taxpayers' money,'" Garabedian said.

But Anthony Tomaselli, 52, a lifelong Cranston resident, said he thought the letter was "kind of nice" because it gave him information about the city's finances.

"I did not feel it was inappropriate," he said.

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The letter could violate federal election laws, said Dan Ronayne, spokesman for the National Republican Senatorial Committee, which is backing Chafee.

"Based upon what we know, we're seriously considering filing a complaint with the (Federal Elections Commission) on this matter," he said. "Our attorneys are reviewing this."

Federal election laws prohibit corporations from contributing to federal candidates, said Craig Engle, a Republican attorney who worked at the FEC for 10 years. The letter could be considered an in-kind contribution supporting **Laffey's** Senate run, he said.

"Information about your taxes is one thing, a pat on the back is another thing," Engle said.

Chafee's campaign filed an FEC against **Laffey** in May, alleging he broke campaign finance laws by failing to report that the pro-business advocacy group Club For Growth collected donations for him, underreporting the cost of mailings to voters and accepting aid from a Providence employment agency.

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PERSON: LINCOLN D CHAFEE (57%)

GEOGRAPHIC: PROVIDENCE, RI, USA (91%) RHODE ISLAND (91%); RHODE ISLAND, USA (79%) NORTH AMERICA (92%); UNITED STATES (92%)

LOAD-DATE: June 29, 2006

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Newswire

The Providence Journal (Rhode Island)

June 22, 2006 Thursday
West Bay

Property tax bills reflect reassessments

BYLINE: BARBARA POLICHETTI, Journal Staff Writer**SECTION:** NEWS; Pg. C-01**LENGTH:** 437 words

CRANSTON - City homeowners received one of their least favorite pieces of mail this week as thousands of annual property tax bills were mailed out.

In addition to the residential bills, nearly 3,900 commercial tax bills were sent out.

The residential bills reflect both the city's new tax rate of \$14.58 per \$1,000 of assessed value as well as new property values resulting from the recently completed reassessment.

Most residential property values rose as a result of the state-mandated revaluation, which is intended to keep assessments in line with market prices. The net result for the majority of property owners is that the taxes they'll have to pay will be close to what they paid this year, according to Finance Director Jerome I. Baron.

Baron said that of the roughly 29,000 residential properties in the city, fewer than 600 will see taxes increase by more than \$500, while about 1,800 residents will see their bills decrease by an equal amount.

No motor vehicle tax bills were mailed, however, because the General Assembly has still not decided how much of a valuation exemption vehicle owners will receive. This week, the House approved a state budget, now before the Senate, that would exempt the first \$6,000 of a car's value from taxation.

City Treasurer Randy Rossi said he hopes the state will have an answer within a few days so the excise tax bills can be mailed by the end of next week. Right now, he said, there is no need to change the first-quarter payment deadline of July 17, but if a decision isn't made soon, extending the deadline may have to be considered.

"It would be nice if the state conducted their business in a more timely manner," Baron said.

As is traditional, the tax bills are accompanied by a letter from the mayor. This year, Mayor Stephen P. **Laffey** has penned an exuberant message punctuated with multiple exclamation marks and opening with the bold-printed line: "GOOD NEWS!!! WE ARE REDUCING TAXES BY 1.5%. LET ME REPEAT -- TAXES ARE REDUCED 1.5%"

Laffey goes on to outline his accomplishments, and, since this is his last year in office, also thanks residents and gives them advice for the future. "BE VIGILANTE," he says. "Remember, that the same special interests who nearly destroyed our city will never go away. Below I am enclosing a cutout for you to paste on your refrigerators. It is a list of warning signs so you can know when trouble is on the way."

At the bottom of the letter, surrounded by a perforated line and each accompanied by a **skull** and crossbones are what he calls fiscal warning signs such as "not funding pensions, late audits," and "raiding the rainy day fund."

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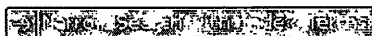
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Council wants Laffey to pay for 'political' letters



Written by SANDERSON, MATT

Thu, Jun 29 06

By MATT SANDERSON

Along party lines, the Democratically-controlled City Council voted Tuesday to demand Republican Mayor Stephen Laffey reimburse the city \$3,366 associated with a letter he included in tax bills that some called political in nature.

In the full-page letter from Laffey, who is running for U.S. Senate, he states what he calls his accomplishments in the past four years, such as reducing taxes by 1.5 percent, going from an \$11.7 million deficit to a \$20 million surplus and going up five notches in bond ratings and being the "fastest turn-around in the nation." He also praises the 20 percent health care co-pay for city workers, and the new crossing guard program that he says saves the city \$500,000 a year.

The letter, which reached most citizens, includes claims that led to outrage, said Council members Terence Livingston and Cynthia Fogarty, both Democrats.

"When I received it, I was outraged that [Laffey] was trying to put forth his political campaign," Livingston said. "When you use taxpayer dollars to send it out, I am offended. I got phone calls."

Fogarty, who is running for mayor on the Democratic ticket, also criticized Laffey.

"I don't care if it's a political campaign," Fogarty said. "When I started getting phone calls from my constituents, I was concerned. He was using taxpayer dollars."

The mayor's director of administration, Paul Grimes, defended the letter's claims, such as that the mayor has lowered taxes.

"Cranston is the only city showing a tax reduction," Grimes said. "An educated populace needs to know."

He went on to say that if the letter were a political message, then it would have been sent to everyone separately, which would cost an estimated \$9,000 more. He also noted the letter never mentions Laffey's run for Senate.

"I think everyone has a problem with 'Mayor Laffey' written in the bottom section," Democratic Councilman Michael Pisaturo said.

"The skull and crossbones annoyed people," said City Council President Aram Garabedian, referring to the list located in the letter entitled, "Mayor Laffey's Warning Signs."

Those signs were not funding pensions, late audits, raiding the 'Rainy Day Fund,' bad contracts/free health care, and unrealistic tax collection forecasts. Next to each of these five factors was a skull and crossbones symbol.

"Years ago we had mayors taking up taxpayer cost supplements and putting them in newspapers," Garabedian, a Democrat, said. "This is inappropriate because it's not at his cost, it's at my cost."

But Republican Councilman Jeffrey Barone said that the letter is no more political than the letters sent out by former Mayor John O'Leary.

Councilman Allan Fung, who is currently running for mayor on the Republican ticket, also defended Laffey.

"We recognize that mayors have sent letters out. Let's not be selective in an election year," he said.

Fung and Barone were the only council members to oppose the resolution, which is not binding but sends a strong message, Garabedian said.

"Let me put it this way, there's still a matter of a letter of ethics complaint to be filed," he said. "The taxpayers don't want you to use tax dollars to promote your self interest."

The mayor's deputy director of administration, Robin Muksian-Schutt, said Tuesday that the City Council spent more time on that "political issue" Monday night than on major issues that she said were more important to the taxpayer.

"The mayor spent the better part of last week so that Cranston and 13 other municipalities did not have to pay that egregious 8 percent water tax from Providence," said Muksian-Schutt, referring to a proposal, now dead, to add an 8 percent surcharge on water provided by the Providence Water Supply Board.

She said council members would be better served to spend time on other matters.

"While members of City Council are looking for political football, our administration prefers to spend time on issues that impact the taxpayers," she said. "I am befuddled when I look at what certain members of the council hold as their highest priorities."

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Channel 12 Eyewitness News Transcript

AMY DELUCA: Yesterday Cranston residents got their tax bills, and a little bit of controversy.

WALT BUTEAU: Inside the envelope was a letter from the Mayor, listing all of his administration's accomplishments and a dig on the city of Providence, calling the capitol city's budget phony. That story is only on 12, Eyewitness News reporter Sean Daly joins us now with the exclusive details.

SEAN DALY: What a difference an election year makes. In Cranston, Republican Mayor Stephen Laffey is running against Republican Senator Lincoln Chafee for a seat in the U.S. Senate. With Election Day less than three months away, Mayor Laffey is racking up the rhetoric.

REPORTER: Cranston Mayor Stephen Laffey is nothing if not confident, but not even he has done this before. In a letter included with the city's tax bills the Mayor used skulls and cross bones to highlight what he argued would be danger signs after he leaves office. Mayor Laffey even suggested that the taxpayers cut out the warnings and paste them on their refrigerators.

MAYOR LAFFEY: I have the right to send people a tax letter; I have done it every year.

REPORTER: Do you have the right to spin it in such a way that it seems to be political propaganda?

MAYOR LAFFEY [interrupting]: You're saying the word spin

MAYOR LAFFEY: It doesn't appear to anybody that I've met so far, find the people, ask them.

REPORTER: Just as we were setting out to do that along came Anne Marie Tomassone who described herself as a supporter of Mayor Laffey.

MAYOR LAFFEY: It's perfectly appropriate I do a letter every year, this... [interrupted by lady off camera] yes...

ANNE MARIE TOMASSONE [off camera]: Yes I'm Anne Marie Tomassone.

ANNE MARIE TOMASSONE [on camera]: And maybe in his mind he feels that it's right, but in my mind it's not right; do you understand?

REPORTER: Did you hear that Mayor?

MAYOR LAFFEY: Yes, and that's why we have a great country.

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REPORTER: In her mind it's not right.

MAYOR LAFFEY: And that's why Channel 12 will broadcast it tonight, because there is always a difference of opinion.

ANNE MARIE TOMASSONE: It's not right, and in your mind you do know it, okay.

MAYOR LAFFEY: No I don't actually, I don't. I am very concerned that...

MAYOR LAFFEY: I think it's entirely correct. Listen we disagree that's why it makes for a great country and a great democracy and a great TV show.

SEAN DALY: Mayor Laffey may not have violated any campaign finance laws or any ethics laws, but the letter none-the-less made for a rare moment: a voter criticizing a politician she even likes and supports, not behind his back but right to his face on television.

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